

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF TEXAS
SHERMAN DIVISION**

IN RE:	§	
	§	
ARMADA MIDCONTINENT, LLC,	§	CASE NO. 15-41557
	§	
DEBTOR	§	<u>EMERGENCY HEARING</u>
	§	<u>REQUESTED</u>

**EMERGENCY MOTION TO ALLOW TRUSTEE TO INCUR AND PAY
EXPENSES IN CONNECTION WITH THE PRESERVATION, MAINTENANCE,
INSURANCE, AND PROTECTION OF THE DEBTOR'S ASSETS**

Comes now, Linda Payne, the Chapter 7 Trustee (the "Trustee"), and files this her Emergency Motion to Allow Trustee to Incur and Pay Expenses in Connection with the Preservation, Maintenance, Insurance, and Protection of the Debtor's Assets (this "Motion"), and the Trustee respectfully states as follows:

JURISDICTION

1. This Court has jurisdiction over this matter pursuant to the provision of 28 U.S.C. §§1334 and 157, and U.S.C. §542. This matter constitutes a core proceeding within the meaning of 28 U.S.C. §147(b)(2).

BACKGROUND

2. On August 28, 2015, the Debtor, Armada Midcontinent, LLC (the "Debtor"), filed its Voluntary Petition for relief under Chapter 7 of the United States Bankruptcy Code. Linda Payne was appointed the Chapter 7 Trustee of the Debtor's estate.

RELIEF REQUESTED AND BASIS THEREFORE

3. The Debtor's primary assets consist of working interests in oil and gas properties in Woodson County, Kansas, together with various operating equipment, general intangibles, accounts receivable, and any fixtures.

4. The Debtor has ceased operation of its oil and gas wells in Woodson County, Kansas, and is generating no revenues. The Trustee intends to market and sell the Debtor's assets, but in the interim requires authority from this Court to pay various preservation costs in order to preserve the value of the Debtor's assets through the date of the sale of the Debtor's assets.

5. Contemporaneously with the filing of this Motion, the Trustee has filed a motion seeking approval of financing from Prosperity Bank, the Debtor's major secured creditor whose first-priority liens attach to all of the Debtor's assets. Prosperity Bank has agreed to finance the Trustee's preservation costs, including electricity, insurance, pumping charges, contract employee costs, and the like, in accordance with the Budget attached hereto as Exhibit "A" and incorporated herein for all purposes. In such financing Motion, the Trustee has sought approval from this Court to obtain emergency financing to fund the Trustee's costs, as set forth in the Budget. In contrast, by this Motion, the Trustee is seeking authority to pay those preservation costs to avoid immediate and irreparable harm.

6. Trustee requires the expenditure of funds to cover the following preservation costs:

- Electricity, contract employee, Letter of Credit for Utility Company and other miscellaneous expenses, including insurance and pumping expenses

7. This request is in the best interest of the Debtor's estate.

WHEREFORE, PREMISED CONSIDERED, Trustee requests that this Court grant (i) her the authority to incur the above expenses to preserve, protect, maintain and insure the Debtor's assets and without further authorization from this Court to pay such amounts as set forth on the Budget (together with any subsequent amended budgets agreed upon by Trustee and

Prosperity Bank under the financing order); and (ii) the Trustee such other and further relief to which the Trustee may be justly entitled.

Dated: September 16, 2015

Respectfully submitted,

THE MOORE LAW FIRM, L.L.P.

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document was served on the attached mailing matrix either through the court's electronic notification system as permitted by Appendix 5005 to the Local Rules of the U.S. Bankruptcy Court for the Eastern District of Texas, or by first class United States Mail, postage prepaid on September 16, 2015.

/s/ Bill F. Payne
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